

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:2260
ANSWERED ON:06.03.2003
MODIFICATION IN SELECTION PROCEDURE FOR RETAIL OUTLETS
NARESH KUMAR PUGLIA

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government has directed the Oil PSUs to again modify their new Dealer Selection Process and site selection process;
- (b) whether the Directions shall also be applicable on such locations/sites/dealers where huge investments have been made;
- (c) if so, whether the Government/oil companies shall compensate this loss;
- (d) if not, whether this decision shall not be applied for the old cases/pipeline case where the investments have already been made; and
- (e) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (e) Consequent on the dismantling of the Administered Pricing Mechanism in the petroleum sector with effect from 1.4.2002, the selection of locations for dealerships/distributorships of petroleum products will be made by the Public Sector Oil Companies, provided that the locations meet certain norms like commercial viability and non-encroachment of the existing dealerships/distributorships. The selection of dealers/distributors will be made by the Oil Marketing Companies themselves as per the guidelines to be adopted by them.